



4004

**ANNUAL REPORT**

OF

Name: LA VALLE TELEPHONE COOPERATIVE, INC

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Principal Office: 108 WEST MAIN  
P.O. BOX 28  
LA VALLE, WI 53941

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For the Year Ended: DECEMBER 31, 1996

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TELECOMMUNICATIONS UTILITY  
TO  
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854  
Madison, WI 53707-7854  
(608) 267-9504

*This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.*

## GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.



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## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Access Line</b>	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
<b>Analog Signal</b>	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
<b>Cellular System</b>	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
<b>Central Office</b>	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
<b>Centrex</b>	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
<b>Channel</b>	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
<b>Feature Group A</b>	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

- Feature Group B** Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
- Feature Group C** Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
- Feature Group D** Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
- FX-IN** A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
- FX-OUT** A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
- Host Switching System** A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
- Local Access Transport Area (LATA)** A geographic area within which an operating company may offer its telecommunications services.
- Mobile Telephone** A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
- Paging** A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
- Pair** Two wires of a single circuit.
- Pay Station** A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
- Private Line Service** Channel or circuit rented for private use and not intended to be connected to the general distribution system.
- Private Branch Exchange (PBX)** A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
- Radio Common Carrier (RCC)** A company which furnishes public telecommunications service using one or more radio channels.
- Remote Switching Unit (RSU)** An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Route Miles</b>	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
<b>Trunk</b>	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
<b>Wide Area Telephone Service (WATS)</b>	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
<b>Wire Center</b>	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

## ABBREVIATIONS USED IN ANNUAL REPORTS

<b>Acct</b>	.....	Account
<b>Accum</b>	.....	Accumulated
<b>Acq</b>	.....	Acquisition
<b>Admin</b>	.....	Administrative
<b>Alloc</b>	.....	Allocation
<b>Amort</b>	.....	Amortization
<b>CO</b>	.....	Central Office
<b>Depr</b>	.....	Depreciation
<b>Equip</b>	.....	Equipment
<b>Exp</b>	.....	Expenses
<b>EOY</b>	.....	End of Year
<b>FOY</b>	.....	First of Year
<b>Info</b>	.....	Information
<b>ITC</b>	.....	Investment Tax Credit
<b>Misc</b>	.....	Miscellaneous
<b>Nonoper</b>	.....	Nonoperating
<b>Nonreg</b>	.....	Nonregulated
<b>Oper</b>	.....	Operating
<b>Opns</b>	.....	Operations
<b>Orig</b>	.....	Originating
<b>Prop</b>	.....	Property
<b>Receiv</b>	.....	Receivable
<b>Reg</b>	.....	Regulated
<b>Rev</b>	.....	Revenues
<b>Svcs</b>	.....	Services
<b>Telecom</b>	.....	Telecommunications
<b>Term</b>	.....	Terminating
<b>TPIS</b>	.....	Telecommunications Plant in Service
<b>TPUC</b>	.....	Telecommunications Plant Under Construction
<b>Uncoll</b>	.....	Uncollectible

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## IDENTIFICATION AND OWNERSHIP

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**Exact Utility Name:** LA VALLE TELEPHONE COOPERATIVE, INC  
**Utility Location:** 108 WEST MAIN  
P.O. BOX 28  
LA VALLE, WI 53941

**Utility Web Site Address:**

**When was utility organized?:** 03/26/1956

**Report any change in name and the effective date:**

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**Officer in charge of correspondence concerning this report**

---

**Name:** GREGORY J. ROCKWEILLER  
**Title:** ACCOUNTANT

**Office Address:** 108 WEST MAIN  
P.O. BOX 28  
LAVALLE, WI 53941

**Fax Number:** (608) 985 - 8080  
**Telephone Number:** (608) 985 - 7201  
**Email Address:** ltc@mwt.net

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**Individual or firm, if other than utility employee, preparing this report**

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**Name:** KIESLING ASSOCIATES LLP  
**Title:** ACCOUNTING FIRM  
**Firm:** KIESLING ASSOCIATES LLP  
**Office Address:** 6401 ODANA ROAD  
MADISON, WI 53719-1155

**Fax Number:** (608) 273 - 2383 EXT  
**Telephone Number:** (608) 273 - 2315  
**Email Address:**

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**Person responsible for financial information contained in report**

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**Name:** GREGORY J. ROCKWEILLER  
**Title:** ACCOUNTANT

**Office Address:** 108 WEST MAIN  
P.O. BOX 28  
LAVALLE, WI 53941

**Fax Number:** (608) 985 - 8080  
**Telephone Number:** (608) 985 - 7201  
**Email Address:** ltc@mwt.net

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**Person responsible for statistical information contained in report**

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**Name:** GREGORY J. ROCKWEILLER  
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**Office Address:** 108 WEST MAIN  
P.O. BOX 28  
LAVALLE, WI 53941

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**Email Address:** ltc@mwt.net

## IDENTIFICATION AND OWNERSHIP

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List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

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**Name:** NONE  
**Address:** NONE  
PO BOX N/A  
N/A, WI 00000  
**Number of Shares Held:**  
**Beneficial Owner:** NONE

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List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

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**Company Name:**  
**Form of Interest:**  
**Extent Of Interest:**

**INCOME STATEMENT - TOTAL COMPANY**

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,114,755	1,103,150	1
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	255,745	211,003	2
Plant Nonspecific Operations Expense	251,023	242,926	3
Customer Operations Expense (6610-6620)	198,279	183,244	4
Corporate Operations Expense (6710-6790)	181,487	146,444	5
Other Operating Income and Expense (7100)	929	1,146	6
Operating Taxes (7200)	60,322	63,925	7
<b>Total Operating Expenses</b>	<b>945,927</b>	<b>846,396</b>	<b>8</b>
<b>Net Operating Income</b>	<b>168,828</b>	<b>256,754</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	38,694	24,389	10
Nonoperating Taxes (7400)	3,872	4,528	11
Interest and Related Items (7500)	77,101	75,387	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	7,004	857	14
<b>Total Nonoperating Income</b>	<b>(35,275)</b>	<b>(54,669)</b>	<b>15</b>
<b>Net Income</b>	<b>133,553</b>	<b>202,085</b>	<b>16</b>

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*	162,090	103,961	1
Cash (1130)		0	2
Special Cash Deposits (1140)		0	3
Working Cash Advances (1150)		0	4
Temporary Investments (1160)		0	5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>162,090</b>	<b>103,961</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	79,573	77,486	6
Accounts Receivable Allowance-Telecom (1181)*		0	7
<b>Net: Telecommunications Accounts Receivable</b>	<b>79,573</b>	<b>77,486</b>	
Other Accounts Receivable (1190)*	68,743	74,858	8
Accounts Receivable Allowance--Other (1191)*		0	9
<b>Net: Other Accounts Receivable</b>	<b>68,743</b>	<b>74,858</b>	
Notes Receivable (1200)*	12,500	12,500	10
Notes Receivable Allowance (1201)*		0	11
<b>Net: Notes Receivable</b>	<b>12,500</b>	<b>12,500</b>	
Interest and Dividends Receivable (1210)*	3,468	2,968	12
<b>TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL</b>	<b>164,284</b>	<b>167,812</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	78,186	71,980	13
<b>TOTAL SUPPLIES</b>	<b>78,186</b>	<b>71,980</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280)*	20,050	22,965	14
Prepaid Rents (1290)		0	15
Prepaid Taxes (1300)		0	16
Prepaid Insurance (1310)		0	17
Prepaid Directory Expenses (1320)		0	18
Other Prepayments (1330)		0	19
<b>TOTAL PREPAYMENTS</b>	<b>20,050</b>	<b>22,965</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*		0	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>424,610</b>	<b>366,718</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401)*		0	21
Investments in Nonaffiliated Companies (1402)*	115,998	115,998	22
Nonregulated Investments (1406)*		0	23
Unamortized Debt Issuance Expense (1407)*		0	24
Sinking Funds (1408)*	481,817	432,379	25

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Other Noncurrent Assets (1410)*	74,738	72,015	26
<b>TOTAL INVESTMENTS</b>	<b>672,553</b>	<b>620,392</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437)*		0	27
Deferred Maintenance and Retirements (1438)*		0	28
Deferred Charges (1439)*	131,107	96,179	29
<b>TOTAL DEFERRED CHARGES</b>	<b>131,107</b>	<b>96,179</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>803,660</b>	<b>716,571</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	4,088,296	4,017,921	30
Less: Accumulated Depreciation (3100)*	2,318,029	2,102,695	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>1,770,267</b>	<b>1,915,226</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003)*	6,643	414	39
<b>TOTAL TPUC</b>	<b>6,643</b>	<b>414</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005)*		0	40
Less: Accumulated Amortization--Other (3600)*		0	41
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>1,776,910</b>	<b>1,915,640</b>	
<b>TOTAL ASSETS AND OTHER DEBITS*</b>	<b>3,005,180</b>	<b>2,998,929</b>	

**BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010)*	84,961	75,094	1
Notes Payable (4020)*		0	2
Advance Billing and Payments (4030)*		0	3
Customer Deposits (4040)*	2,870	1,325	4
Current Maturities--Long-Term Debt (4050)*	88,300	80,200	5
Current Maturities--Capital Leases (4060)*		0	6
Income Taxes--Accrued (4070)*		0	7
Other Taxes--Accrued (4080)*	16,798	70	8
Net Current Deferred Operating Income Taxes (4100)*		0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	15,323	14,826	11
Other Current Liabilities (4130)*		0	12
<b>TOTAL CURRENT LIABILITIES*</b>	<b>208,252</b>	<b>171,515</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*	1,605,156	1,713,610	13
Premium on Long-Term Debt (4220)*		0	14
Discount on Long-Term Debt (4230)*		0	15
Reacquired Debt (4240)*		0	16
Obligations Under Capital Leases (4250)*		0	17
Advances from Affiliated Companies (4260)*		0	18
Other Long-Term Debt (4270)*		0	19
<b>TOTAL LONG-TERM DEBT*</b>	<b>1,605,156</b>	<b>1,713,610</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310)*	114,528	90,908	20
Unamortized Operating ITC--Net (4320)*		0	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*		0	23
Net Deferred Tax Liability Adjustments (4341)*		0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*		0	25
Other Deferred Credits (4360)*	767	512	26
Deferred Tax Regulatory Liability (4361)*		0	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*</b>	<b>115,295</b>	<b>91,420</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*		0	28
Additional Paid-in Capital (4520)*		0	29
Treasury Stock (4530)*		0	30
Other Capital (4540)*		0	31
Retained Earnings (4550)*	1,076,477	1,022,384	32
<b>TOTAL STOCKHOLDERS' EQUITY*</b>	<b>1,076,477</b>	<b>1,022,384</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS*</b>	<b>3,005,180</b>	<b>2,998,929</b>	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

<b>Plant Account (a)</b>	<b>Account (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	41,744		<b>1</b>
Motor Vehicles	2112	100,768	41,991	<b>2</b>
Aircraft	2113	0		<b>3</b>
Special Purpose Vehicles	2114	0		<b>4</b>
Garage Work Equipment	2115	0		<b>5</b>
Other Work Equipment	2116	160,124	3,590	<b>6</b>
Buildings	2121	320,765		<b>7</b>
Furniture	2122	33,745		<b>8</b>
Office Equipment	2123	32,306	712	<b>9</b>
General Purpose Computers	2124	88,868	13,325	<b>10</b>
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>778,320</b>	<b>59,618</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0		<b>11</b>
Digital Electronic Switching	2212	1,003,948	0	<b>12</b>
Electro-Mechanical Switching	2215	0	0	<b>13</b>
Operator Systems	2220	0		<b>14</b>
Radio Systems	2231	171,819	0	<b>15</b>
Circuit Equipment	2232	274,823	4,021	<b>16</b>
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>1,450,590</b>	<b>4,021</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	0		<b>17</b>
Customer Premises Wiring	2321	0		<b>18</b>
Large Private Branch Exchanges	2341	0		<b>19</b>
Public Telephone Terminal Equipment	2351	8,299		<b>20</b>
Other Terminal Equipment	2362	0		<b>21</b>
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>8,299</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	12,795		<b>22</b>
Aerial Cable	2421	3,793	0	<b>23</b>
Underground Cable	2422	0	0	<b>24</b>
Buried Cable	2423	1,764,040	58,018	<b>25</b>
Submarine Cable	2424	0	0	<b>26</b>
Deep Sea Cable	2425	0		<b>27</b>
Intrabuilding Network Cable	2426	0	0	<b>28</b>
Aerial Wire	2431	0		<b>29</b>
Conduit Systems	2441	84		<b>30</b>
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>1,780,712</b>	<b>58,018</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0		<b>31</b>

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			41,744	1
2112	32,981		109,778	2
2113			0	3
2114			0	4
2115			0	5
2116			163,714	6
2121			320,765	7
2122			33,745	8
2123	0	0	33,018	9
2124			102,193	10
	<b>32,981</b>	<b>0</b>	<b>804,957</b>	
2211			0	11
2212	0	0	1,003,948	12
2215	0	0	0	13
2220			0	14
2231	0	0	171,819	15
2232	0	0	278,844	16
	<b>0</b>	<b>0</b>	<b>1,454,611</b>	
2311			0	17
2321			0	18
2341			0	19
2351			8,299	20
2362			0	21
	<b>0</b>	<b>0</b>	<b>8,299</b>	
2411			12,795	22
2421	0	0	3,793	23
2422	0	0	0	24
2423	18,301	0	1,803,757	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			84	30
	<b>18,301</b>	<b>0</b>	<b>1,820,429</b>	
2681			0	31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
<b>AMORTIZABLE ASSETS</b>			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>0</b>	<b>0</b>
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>4,017,921</b>	<b>121,657</b>
Less: Allocation to Nonregulated Activity - EOY	2001		34
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>		

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682			0	32
2690			0	33
	0	0	0	
	51,282	0	4,088,296	
2001				34
			4,088,296	

### TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	23,533	712	1
Company Communications Equipment	2123.2	8,773		2
Software	2212.1	1,003,948		3 A
Digital Switching - Central Office	2212.2	0		4 A
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	171,819		9
Digital Circuit Equipment	2232.1	274,823	4,021	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	3,793		13 A
Aerial Cable - Metallic	2421.2	0		14 A
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	0		16
Buried Cable - Nonmetallic	2423.1	1,555,263		17 A
Buried Cable - Metallic	2423.2	208,777	58,018	18 A
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)  
(cont.)**

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			24,245	1
2123.2			8,773	2
2212.1		(1,003,948)	0	3 A
2212.2		1,003,948	1,003,948	4 A
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			171,819	9
2232.1			278,844	10
2232.2			0	11
2232.3			0	12
2421.1		(3,793)	0	13 A
2421.2		3,793	3,793	14 A
2422.1			0	15
2422.2			0	16
2423.1		(1,555,263)	0	17 A
2423.2	18,301	1,555,263	1,803,757	18 A
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

**ACCUMULATED DEPRECIATION CLASS A & B**

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
<b>GENERAL SUPPORT ASSETS</b>					
Motor Vehicles	2112	62,034		9,038	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	128,005	9.09	10,014	5G
Buildings	2121	117,255	3.5	11,226	6
Furniture	2122	24,938	7.14	2,410	7
Office Equipment	2123	16,824		2,645	8
General Purpose Computers	2124	14,712	20.0	18,541	9
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>363,768</b>		<b>53,874</b>	<b>0</b>
<b>CENTRAL OFFICE ASSETS</b>					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	512,839	10.0	100,395	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	4,979		11,572	14A
Circuit Equipment	2232	204,508		10,723	15
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>722,326</b>		<b>122,690</b>	<b>0</b>
<b>INFORMATION ORIG/TERM ASSETS</b>					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	6,348		1,043	19
Other Terminal Equipment	2362	0			20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>6,348</b>		<b>1,043</b>	<b>0</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Poles	2411	7,043	6.88	880	21
Aerial Cable	2421	768		232	22
Underground Cable	2422	0			23
Buried Cable	2423	961,528		78,383	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	0			28

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	23	4.0	4	<b>29</b>
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>969,362</b>		<b>79,499</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>2,061,804</b>		<b>257,106</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				<b>30</b>
<b>Net Regulated Total Accum Depreciation - 3100</b>					
<b>Columns e, f and I</b>					

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	32,981		20,321		58,412	1
2113					0	2
2114					0	3
2115					0	4
2116				(10,811)	127,208	5 G
2121					128,481	6
2122					27,348	7
2123	0				19,469	8
2124					33,253	9
	<b>32,981</b>	<b>0</b>	<b>20,321</b>	<b>(10,811)</b>	<b>394,171</b>	
2211					0	10
2212	0				613,234	11
2215	0				0	12
2220					0	13
2231	0			40,891	57,442	14 A
2232	0				215,231	15
	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,891</b>	<b>885,907</b>	
2311					0	16
2321					0	17
2341					0	18
2351					7,391	19
2362					0	20
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,391</b>	
2411					7,923	21
2421	0			0	1,000	22
2422	0				0	23
2423	18,301				1,021,610	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441					27	<b>29</b>
	<b>18,301</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,030,560</b>	
<b>3100</b>	<b>51,282</b>	<b>0</b>	<b>20,321</b>	<b>30,080</b>	<b>2,318,029</b>	
3100						<b>30</b>
<b>3100</b>						

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)**

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>	
Office Support Equipment	2123.1	12,265	7.14	1,680		<b>1</b>
Company Communications Equipment	2123.2	4,559	11.0	965		<b>2</b>
Software	2212.1	512,839	10.0	100,395		<b>3</b>
Digital Switching - Central Office	2212.2	0				<b>4</b>
Digital Switching - Remote	2212.3	0				<b>5</b>
Step by Step Switching	2215.1	0				<b>6</b>
Crossbar Switching	2215.2	0				<b>7</b>
Satellite and Earth Station Facilities	2231.1	0				<b>8</b>
Other Radio Facilities	2231.2	4,979		11,572		<b>9 A</b>
Digital Circuit Equipment	2232.1	204,508		10,723		<b>10</b>
Analog Circuit Equipment	2232.2	0				<b>11</b>
Light Wave Circuit Equipment	2232.3	0				<b>12</b>
Aerial Cable - Nonmetallic	2421.1	768				<b>13 A</b>
Aerial Cable - Metallic	2421.2	0	6.11	232		<b>14 A</b>
Underground Cable - Nonmetallic	2422.1	0				<b>15</b>
Underground Cable - Metallic	2422.2	0				<b>16</b>
Buried Cable - Nonmetallic	2423.1	752,752	.0			<b>17 A</b>
Buried Cable - Metallic	2423.2	208,776	5.0	78,383		<b>18 A</b>
Submarine Cable - Nonmetallic	2424.1	0				<b>19</b>
Submarine Cable - Metallic	2424.2	0				<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0				<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0				<b>22</b>

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)**

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					13,945	1
2123.2					5,524	2
2212.1					613,234	3
2212.2					0	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2				40,891	57,442	9A
2232.1					215,231	10
2232.2					0	11
2232.3					0	12
2421.1				(768)	0	13A
2421.2				768	1,000	14A
2422.1					0	15
2422.2					0	16
2423.1				(752,752)	0	17A
2423.2	18,301			752,752	1,021,610	18A
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

**RETAINED EARNINGS (ACCT. 4550)**

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,022,384	831,988	1
<b>Changes:</b>			
Balance Transferred from Income	133,553	202,229	2
<b>Dividends Declared:</b>			
Common	66,342	13,463	3
Preferred		0	4
<b>Total Dividends Declared</b>	<b>66,342</b>	<b>13,463</b>	
Miscellaneous Debits to Retained Earnings	13,118	0	5
Miscellaneous Credits to Retained Earnings		1,630	6
<b>Balance--End of Year</b>	<b><u>1,076,477</u></b>	<b><u>1,022,384</u></b>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	This Year (b)	Last Year (c)	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000)*	358,361	342,708	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>358,361</b>	<b>342,708</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081)*	76,903	75,285	11
Switched Access Revenue (5082)*	367,592	365,839	12
Special Access Revenue (5083)*		0	13
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>444,495</b>	<b>441,124</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	222,009	219,196	15
Special Access Revenue (5084.3)*	9,556	9,791	16
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>231,565</b>	<b>228,987</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100)*	3,586		17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>3,586</b>	<b>0</b>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	This Year (b)	Last Year (c)	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230)*	6,947	6,671	<b>30</b>
Rent Revenue (5240)*	219	219	<b>31</b>
Corporate Operations Revenue (5250)*		0	<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260)*	9,683	7,406	<b>33</b>
Special Billing Arrangements Revenue (5261)			<b>34</b>
Customer Operations Revenue (5262)			<b>35</b>
Plant Operations Revenue (5263)			<b>36</b>
Other Incidental Regulated Revenue (5264)			<b>37</b>
Other Revenue Settlements (5269)			<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>9,683</b>	<b>7,406</b>	
Interstate Billing and Collection Revenue*	15,396	16,181	<b>39</b>
Intrastate Billing and Collection Revenue*	43,794	59,932	<b>40 F</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>59,190</b>	<b>76,113</b>	
Nonregulated Operating Revenue (5280)**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>76,039</b>	<b>90,409</b>	
<b>GROSS OPERATING REVENUES</b>	<b>1,114,046</b>	<b>1,103,228</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300)*	(709)	78	<b>42</b>
Uncollectible Revenue--Telecommunications (5301)			<b>43</b>
Uncollectible Revenue--Other (5302)			<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>(709)</b>	<b>78</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>1,114,755</b>	<b>1,103,150</b>	

\*\* Account 5280 is to be used only by those companies subject to dual jurisdiction.

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>				
Total Network Support Expense ( 6110 )		0		1
Less: Nonregulated		0		2
<b>Net Regulated</b>	<b>0</b>	<b>0</b>		<b>3</b>
Total General Support Expense ( 6120 )	42,108	36,926		4
Less: Nonregulated		0		5
<b>Net Regulated</b>	<b>42,108</b>	<b>36,926</b>		<b>6</b>
Total Central Office Switching Expense ( 6210 )	107,511	134,417		7
Less: Nonregulated		0		8 B
<b>Net Regulated</b>	<b>107,511</b>	<b>134,417</b>		<b>9</b>
Total Operator Systems Expense ( 6220 )		0		10
Less: Nonregulated		0		11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>		<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	1,623	3,359		13
Less: Nonregulated		0		14
<b>Net Regulated</b>	<b>1,623</b>	<b>3,359</b>		<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )	736	1,172		16
Less: Nonregulated		0		17
<b>Net Regulated</b>	<b>736</b>	<b>1,172</b>		<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	59,025	79,871		19
Less: Nonregulated		0		20 c
<b>Net Regulated</b>	<b>59,025</b>	<b>79,871</b>		<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>211,003</b>	<b>255,745</b>		
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>		
<b>Net Regulated</b>	<b>211,003</b>	<b>255,745</b>		
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>				
Total Other Property, Plant and Equip. Exp. ( 6510 )	(195)	(378)		22
Less: Nonregulated		0		23
<b>Net Regulated</b>	<b>(195)</b>	<b>(378)</b>		<b>24</b>
Total Network Operations Expense ( 6530 )	17,112	10,443		25
Less: Nonregulated		0		26 D
<b>Net Regulated</b>	<b>17,112</b>	<b>10,443</b>		<b>27</b>
Access Expense ( 6540 )		0		28
Less: Nonregulated		0		29
<b>Net Regulated</b>	<b>0</b>	<b>0</b>		<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	226,009	240,958		31
Less: Nonregulated		0		32
<b>Net Regulated</b>	<b>226,009</b>	<b>240,958</b>		<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>242,926</b>	<b>251,023</b>		
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>		
<b>Net Regulated</b>	<b>242,926</b>	<b>251,023</b>		

**EXPENSE MATRIX - CLASS A & B (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110					1
					2
					3
6120					4
					5
					6
6210					7
					8 B
					9
6220					10
					11
					12
6230					13
					14
					15
6310					16
					17
					18
6410					19
					20 C
					21
<hr/>					
6510					22
					23
					24
6530					25
					26 D
					27
6540					28
					29
					30
6560					31
					32
					33

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Total Marketing ( 6610 )	158	635	34
Less: Nonregulated		0	35
<b>Net Regulated</b>	<b>158</b>	<b>635</b>	<b>36</b>
Total Services ( 6620 )	183,086	197,644	37
Less: Nonregulated		0	38
<b>Net Regulated</b>	<b>183,086</b>	<b>197,644</b>	<b>39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>183,244</b>	<b>198,279</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>183,244</b>	<b>198,279</b>	
<b>CORPORATE OPERATIONS EXPENSE</b>			
Total Exec. and Planning ( 6710 )	53,898	56,811	40
Less: Nonregulated		0	41
<b>Net Regulated</b>	<b>53,898</b>	<b>56,811</b>	<b>42</b>
Total General and Administrative ( 6720 )	92,546	124,676	43
Less: Nonregulated		0	44 E
<b>Net Regulated</b>	<b>92,546</b>	<b>124,676</b>	<b>45</b>
Provision for Uncollectible Notes Receiv. ( 6790 )		0	46
Less: Nonregulated		0	47
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>48</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>146,444</b>	<b>181,487</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>146,444</b>	<b>181,487</b>	
<b>TOTAL EXPENSES</b>	<b>783,617</b>	<b>886,534</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>783,617</b>	<b>886,534</b>	

**EXPENSE MATRIX - CLASS A & B (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)
6610				34
				35
				36
6620				37
				38
				39
6710				40
				41
				42
6720				43
				44 E
				45
6790				46
				47
				48

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**EXPENSE MATRIX - CLASS A & B ( DETAIL )**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. ( 6511 )		0		1
Provisioning Expense ( 6512 )	(195)	(378)		2
<b>Total: Reported in Account 6510</b>	<b>(195)</b>	<b>(378)</b>		
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	226,009	240,958		3
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 )		0		4
Amortization Expense--Tangible ( 6563 )		0		5
Amortization Expense--Intangible ( 6564 )		0		6
Amortization Expense--Other ( 6565 )		0		7
<b>Total: Reported in Account 6560</b>	<b>226,009</b>	<b>240,958</b>		

**EXPENSE MATRIX - CLASS A & B ( DETAIL ) (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512					2
6561					3
6562					4
6563					5
6564					6
6565					7

**OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	This Year (b)	Last Year (c)	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Income from Custom Work (7110)*	929	1,146	1
Return from Nonregulated Use of Regulated Facilities (7130)*		0	2
Gains and (Losses) from Foreign Exchange (7140)		0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)		0	4
Other Operating Gains and (Losses) (7160)*		0	5
<b>TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*</b>	<b>929</b>	<b>1,146</b>	
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210)*		0	6
Operating Federal Income Taxes (7220)*	(4,040)	1,037	7
Operating State and Local Income Taxes (7230)*		0	8
Operating Other Taxes (7240)*	64,362	62,888	9
Provision for Deferred Operating Income Taxes--Net (7250)*		0	10
<b>TOTAL OPERATING TAXES (7200)*</b>	<b>60,322</b>	<b>63,925</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310)*	932	1,307	11
Interest Income (7320)*	32,340	28,473	12
Income from Sinking and Other Funds (7330)*		0	13
Allowance for Funds Used During Construction (7340)*	3,000	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*		0	15
Other Nonoperating Income (7360)*	2,422	7,118	16
Special Charges (7370)*		12,509	17
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)*</b>	<b>38,694</b>	<b>24,389</b>	
<b>NONOPERATING TAXES</b>			
Nonoperating Investment Tax Credits--Net (7410)*		0	18
Nonoperating Federal Income Taxes (7420)*	9,045	3,833	19
Nonoperating State and Local Income Taxes (7430)*		0	20
Nonoperating Other Taxes (7440)*		0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(5,173)	695	22
<b>TOTAL NONOPERATING TAXES (7400)*</b>	<b>3,872</b>	<b>4,528</b>	
<b>INTEREST AND RELATED ITEMS</b>			
Interest on Funded Debt (7510)*	77,092	75,351	23
Interest Expense--Capital Leases (7520)*		0	24
Amortization of Debt Issuance Expense (7530)*		0	25
Other Interest Deductions (7540)*	9	36	26
<b>TOTAL INTEREST AND RELATED ITEMS (7500)*</b>	<b>77,101</b>	<b>75,387</b>	
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600)*		0	27
Extraordinary Income Credits (7610)		0	28
Extraordinary Income Charges (7620)		0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)		0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)		0	31
<b>TOTAL EXTRAORDINARY ITEMS (7600)*</b>	<b>0</b>	<b>0</b>	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990)*	7,004	857	32

### TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
<b>LOCAL</b>			
Intra-Exchange			<b>1</b>
Extended Area Service			<b>2</b>
Extended Community Calling	19	94	<b>3</b>
Other Local-Undefined	0	0	<b>4</b>
<b>Total Local</b>	<b>19</b>	<b>94</b>	
<b>TOLL</b>			
Operator Handled: State--intraLATA		4	<b>5</b>
Operator Handled: State--interLATA		3	<b>6</b>
Operator Handled: Interstate		7	<b>7</b>
Customer Dialed: State--intraLATA	17	161	<b>8</b>
Customer Dialed: State--interLATA	11	116	<b>9</b>
Customer Dialed: Interstate	13	242	<b>10</b>
WATS	0	0	<b>11</b>
Other Toll-Undefined	0	0	<b>12</b>
<b>Total Toll</b>	<b>41</b>	<b>533</b>	
<b>Total Local &amp; Toll</b>	<b>60</b>	<b>627</b>	

### ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	7	39	0	0	2
Feature Group B -- Orig.			0	0	3
Feature Group B -- Term.	23	1	0	0	4
Feature Group C -- Orig.	0	0	105	1	5
Feature Group C -- Term.	0	0	942		6
Feature Group D -- Orig.	973	650	0	0	7
Feature Group D -- Term.	1,991	751	0	0	8

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	390	2
Sheath miles of plant - fiber optics	1	3
Strand miles of plant - fiber optics	21	4
Route miles of plant - microwave	18	5

**SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR**

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	3	1
56 kbps	0	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	390	2
Sheath miles of plant - fiber optics	1	3
Strand miles of plant - fiber optics	21	4
Route miles of plant - microwave	18	5

**SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR**

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	3	1
56 kbps	0	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

### SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	126	130	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	0		6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	0		9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	105	84	11
FX-Out (Switched)	3	3	12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	4	4	16
- Semi-Public	4	3	17
- Cust. Owned	0	0	18
Other	0		19
<b>Total Business Lines</b>	<b>242</b>	<b>224</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	1,678	1,718	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
<b>Total Residential Lines</b>	<b>1,678</b>	<b>1,718</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>1,920</b>	<b>1,942</b>	<b>28</b>
Company Used Lines	23	23	29
<b>Total Lines Used</b>	<b>1,943</b>	<b>1,965</b>	<b>30</b>

**SERVICE DATA (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS	0		<b>3</b>
WATS Lines - 800 Service	0		<b>4</b>
FX-In-intraLATA	10	10	<b>5</b>
Special Access-intraLATA			<b>6</b>
(expressed in equiv. access lines)	2	3	<b>7</b>
Special Access-interLATA			<b>8</b>
(expressed in equiv. access lines)	24	24	<b>9</b>
Feature Group A Lines	0		<b>10</b>
Feature Group B Trunks	0		<b>11</b>
Feature Group C Trunks	0		<b>12</b>
Feature Group D Trunks	96	96	<b>13</b>
TSPS - Trunks	10	10	<b>14</b>
EAS - Trunks	125	125	<b>15</b>
Cellular Trunks (Pub. Sw. Net.)	0		<b>16</b>
Video Distance Learning			<b>17</b>
- discounted (special tariff)	0		<b>18</b>
<b>Customers</b>			
Business - 2 Party Customers	0	0	<b>20</b>
Business - 4 Party Customers	0	0	<b>21</b>
Residential - 2 Party Customers	0	0	<b>22</b>
Residential - 4 Party Customers	0	0	<b>23</b>
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			<b>25</b>
Wire Fac. Assets (based on physical location of plant)	3,239,601	3,283,339	<b>26</b>
Total Company Square Miles	124	124	<b>28</b>
Total Company Route Miles	336	341	<b>29</b>
Footnotes			<b>30</b>

### SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0980	2900			1
<b>Business</b>					<b>2</b>
1 Party	31	99			3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks					9
Mobile (utility provided service)					10
Paging (utility provided service)		84			11
FX-Out (Switched)	3				12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	1	3			16
- Semi-Public		3			17
- Cust. Owned		0			18
Other					19
<b>Total Business Lines</b>	<b>35</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>					<b>21</b>
1 Party	404	1,314			22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
<b>Total Residential Lines</b>	<b>404</b>	<b>1,314</b>	<b>0</b>	<b>0</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>439</b>	<b>1,503</b>	<b>0</b>	<b>0</b>	<b>28</b>
Company Used Lines	5	18			29
<b>Total Lines Used</b>	<b>444</b>	<b>1,521</b>	<b>0</b>	<b>0</b>	<b>30</b>

**SERVICE DATA - END OF YEAR (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0980	2900			1
<b>Miscellaneous</b>					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	7	3			5
Special Access-intraLATA					6
(equiv. access lines)	1	2			7
Special Access-interLATA					8
(equiv. access lines)		24			9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	38	58			13
TSPS - Trunks	4	6			14
EAS - Trunks	36	89			15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
<b>Customers</b>					19
Business - 2 Party Customers		0			20
Business - 4 Party Customers		0			21
Residential - 2 Party Customers		0			22
Residential - 4 Party Customers		0			23
<b>Other</b>					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,131,282	2,152,057			27
Exchange Square Miles	51	73			28
Exchange Route Miles	103	238			29
Footnotes					30

### MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Nippon Electric	NEC	5
Northern Telecom	NTI	6
Siemens	SI	7
Stromberg-Carlson	SC	8
VIDAR	VI	9

### EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

### MANUFACTURER ABBREVIATIONS

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Siemens	SI	7
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### EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

### CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	CAZENOVIA	LAVALLE			1
PSCW Exchange ID	0980	2900			2
Central Office Name	CAZENOVIA	LAVALLE			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	SC	SC			5
Year COE Installed	1987	1987			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	H	H			8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	19	19			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	0	0			14
- Equipped	0	0			15
- Wired	0	0			16
Trunks - In Use	78	158			17
- Equipped	168	336			18
- Wired	192	384			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	14	24			25
DS-3 - In Use	0	0			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) <sup>1</sup>	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	0	0			33
No. of fiber strands working (LIT) in C.O.	0	0			34
No. of fiber strands for interoffice use	0	0			35
Miles of fiber sheath in wire center	0	1			36
Access Tandem Serving this C.O.:					
- C.O. Name		MADISON			37
- PSCW C.O. ID		3080-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	No	No			40
Equal Access: IntraLATA (1+)?	No	No			41
Footnotes					42

<sup>1</sup> Teleco provided end-to-end facility.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### General Footnote

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Accountants Compilation Report

To the Board of Directors  
LaValle Telephone Cooperative  
LaValle, Wisconsin 53941

We have compiled the balance sheets of LaValle Telephone Cooperative as of December 31, 1996 and 1995, and the related statements of income and retained earnings for the years then ended, and the statement of cash flows for the year ended December 31, 1996, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP  
Madison, Wisconsin  
April 25, 1997

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### Schedule Footnotes

Identification and Ownership Footnote. Page 7

Data missing from load, entered by Cliff, corrected by RL July 24,1997

Telephone Calls and Minutes of Use Per Month Footnote. Page 47

General, Schedule Level and Schedule Line Footnotes Footnote. Page 56

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### Schedule Line Footnotes

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- A) To properly reflect beginning of year balance.
- B) Increase due to temporarily having a third central office employee during 1996.
- C) Increase due to increased labor and parts expense during 1996.
- D) decrease due to desk testing expense incurred while training plant personnel in 1995.This training was not performed in 1996.
- E) Increase due to actuarial adjustments in employee pension plan.
- F) Decrease due to ameritech reducing rates for services, and AT&T taking back a portion of B&C in 1996.
- G) To correct for overdepreciation taken in prior years.